



**[BILLING CODE: 4810-033-P]**

**DEPARTMENT OF THE TREASURY**

**Office of the Comptroller of the Currency**

**Agency Information Collection Activities:**

**Revision of an Approved Information Collection; Submission for OMB Review;  
Company-Run Annual Stress Test Reporting Template and Documentation for  
Covered Institutions with Total Consolidated Assets of \$50 Billion or More under  
the Dodd-Frank Wall Street Reform and Consumer Protection Act**

**AGENCY:** Office of the Comptroller of the Currency, Treasury (OCC).

**ACTION:** Notice and request for comment.

**SUMMARY:** The OCC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other federal agencies to comment on a revision to this information collection, as required by the Paperwork Reduction Act of 1995. An agency may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The OCC is finalizing revisions to a regulatory reporting requirement for national banks and federal savings associations titled, “Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$50 Billion or More under the Dodd-Frank Wall Street Reform and Consumer Protection Act.” The OCC also is giving notice that it has sent the collection to OMB for review.

**DATES:** Comments must be received by [Insert 30 days from date of publication in FEDERAL REGISTER.]

**ADDRESSES:**

Because paper mail in the Washington, DC area and at the OCC is subject to delay, commenters are encouraged to submit comments by e-mail, if possible. Comments may be sent to: Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, Attention: 1557-0319, 400 7<sup>th</sup> Street, SW., Suite 3E-218, Mail Stop 9W-11, Washington, DC 20219. In addition, comments may be sent by fax to (571) 465-4326 or by electronic mail to [prainfo@occ.treas.gov](mailto:prainfo@occ.treas.gov). You may personally inspect and photocopy comments at the OCC, 400 7<sup>th</sup> Street, SW., Washington, DC 20219. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hard of hearing, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect and photocopy comments.

All comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

Additionally, please send a copy of your comments by mail to: OCC Desk Officer, [1557-0319], U.S. Office of Management and Budget, 725 17<sup>th</sup> Street, NW., #10235, Washington, DC 20503, or by email to: [oir\\_submission@omb.eop.gov](mailto:oir_submission@omb.eop.gov).

**FOR FURTHER INFORMATION CONTACT:** Shaquita Merritt or Mary H.

Gottlieb, OCC Clearance Officers, (202) 649-5490 or, for persons who are deaf or hard of hearing, TTY, (202) 649-5597, Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, 400 7<sup>th</sup> St., SW., Washington, DC 20219. In addition, copies of the templates referenced in this notice can be found on the OCC's Web site under News and Issuances (<http://www.occ.treas.gov/tools-forms/forms/bank-operations/stress-test-reporting.html>).

**SUPPLEMENTARY INFORMATION:**

The OCC is requesting comment on the following revision to an approved information collection:

Title: Company-Run Annual Stress Test Reporting Template and Documentation for Covered Institutions with Total Consolidated Assets of \$50 Billion or More under the Dodd-Frank Wall Street Reform and Consumer Protection Act.

OMB Control No.: 1557-0319.

Description: Section 165(i)(2) of the Dodd-Frank Wall Street Reform and Consumer Protection Act<sup>1</sup> (Dodd-Frank Act) requires certain financial companies, including national banks and federal savings associations, to conduct annual stress tests<sup>2</sup> and requires the primary financial regulatory agency<sup>3</sup> of those financial companies to issue regulations implementing the stress test requirements.<sup>4</sup> A national bank or Federal savings association is a “covered institution” and therefore subject to the stress test requirements if its total consolidated assets are more than \$10 billion. Under section

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<sup>1</sup> Pub. L. 111-203, 124 Stat. 1376, July 2010.

<sup>2</sup> 12 U.S.C. 5365(i)(2)(A).

<sup>3</sup> 12 U.S.C. 5301(12).

<sup>4</sup> 12 U.S.C. 5365(i)(2)(C).

165(i)(2), a covered institution is required to submit to the Board of Governors of the Federal Reserve System (Board) and to its primary financial regulatory agency a report at such time, in such form, and containing such information as the primary financial regulatory agency may require.<sup>5</sup> On October 9, 2012, the OCC published in the *Federal Register* a final rule implementing the section 165(i)(2) annual stress test requirement.<sup>6</sup> This rule describes the reports and information collections required to meet the reporting requirements under section 165(i)(2). These information collections will be given confidential treatment (5 U.S.C. 552(b)(4)).

In 2012, the OCC first implemented the reporting templates referenced in the final rule. *See* 77 FR 49485 (August 16, 2012) and 77 FR 66663 (November 6, 2012). The OCC proposed revisions to these templates on November 17, 2015.<sup>7</sup> No comments were received on those proposed revisions, and the OCC is now finalizing those revisions, as described below.

The OCC intends to use the data collected to assess the reasonableness of the stress test results of covered institutions and to provide forward-looking information to the OCC regarding a covered institution's capital adequacy. The OCC also may use the results of the stress tests to determine whether additional analytical techniques and exercises could be appropriate to identify, measure, and monitor risks at the covered institution. The stress test results are expected to support ongoing improvement in a covered institution's stress testing practices with respect to its internal assessments of capital adequacy and overall capital planning.

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<sup>5</sup> 12 U.S.C. 5365(i)(2)(B).

<sup>6</sup> 77 FR 61238 (October 9, 2012) (codified at 12 CFR 46).

<sup>7</sup> 80 FR 71915 (November 17, 2015).

The OCC recognizes that many covered institutions with total consolidated assets of \$50 billion or more are required to submit reports using Comprehensive Capital Analysis and Review (CCAR) reporting form FR Y-14A.<sup>8</sup> The OCC also recognizes the Board has recently modified the FR Y-14A, and, to the extent practical, the OCC has kept its reporting requirements consistent with the Board's FR Y-14A in order to minimize burden on covered institutions.<sup>9</sup> The OCC has also revised the Scenario Schedule, which collects information on scenario variables beyond those provided by the OCC. The purpose of this revision is to require further clarity on the definitions of the additional scenario variables.

### **Revisions to Reporting Templates for Institutions with \$50 Billion or More in Assets**

The revisions to the DFAST-14A reporting templates consist of the following:

- Bank-specific scenario: covered institutions would be required to submit bank-specific baseline and stress scenarios and projections for 2017 and will have the option to do so for 2016;
- Largest counterparty default: for the largest trading covered institutions that also submit the Global Market Shock scenario, they would be required to assume the default of their largest counterparty in the supervisory severely adverse and adverse scenarios for 2017 and will have the option to do so for 2016;

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<sup>8</sup> <http://www.federalreserve.gov/reportforms>.

<sup>9</sup> 80 FR 55631 (September 16, 2015).

- Advanced approaches banks: 1) delay incorporation of the supplemental leverage ratio for one year and 2) indefinitely defer the use of the advance approaches for stress testing projections;
- Reporting Template and Supporting Documentation Changes: clarifying instructions, adding data items, deleting data items, and redefining existing data items. This includes an expansion of the information collected in the scenario schedule. The proposed revisions also include a shift of the as-of date in accordance with modifications to the OCC's stress testing rule.<sup>10</sup>
- These revisions also reflect the implementation of the final Basel III regulatory capital rule. On July 9, 2013, the OCC approved a joint final rule that will revise and replace the OCC's risk-based and leverage capital requirements to be consistent with agreements reached by the Basel Committee on Banking Supervision in "Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems" (Basel III).<sup>11</sup> Accordingly, the revisions reflect the fact that institutions will no longer report items based on the pre-Basel III capital rules.

### **Bank-Specific Scenarios**

Covered institutions are required to submit bank-specific baseline and bank-specific stress scenarios and associated projections for the 2017 annual stress testing submission and may do so optionally for the 2016 annual stress testing submission.

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<sup>10</sup> See 79 FR 71630 (December 3, 2014) (shifting the dates of the annual stress testing cycle).

<sup>11</sup> <http://www.occ.gov/news-issuances/news-releases/2013/nr-occ-2013-110.html>.

While supervisory scenarios provide a homogeneous scenario and a consistent market-wide view of the condition of the banking sector, these prescribed scenarios may not fully capture all of the risks that may be associated with a particular institution. The revisions require covered institutions to provide bank-specific baseline and bank-specific stress scenarios.

The OCC recognizes that the Board requires bank holding companies (BHCs) to submit BHC-specific baseline and stress scenarios and projections. Where OCC-covered institutions also submit BHC-specific scenarios, the OCC requires that bank-specific scenarios be consistent with the BHC-specific scenarios.

### **Largest Counterparty Default**

Covered institutions that currently complete the Global Market Shock will also be required to complete the Largest Counterparty Default component for the 2017 submission and have the option to do so for the 2016 submission. This is currently required by the Board, and the OCC is adopting a similar requirement to enhance consistency.

### **Supplemental Leverage Ratio**

The supplementary leverage ratio requirement applies only to covered institutions that use the advanced approaches to calculate their minimum regulatory capital requirements. For these covered institutions, the revisions delay the incorporation of the supplementary leverage ratio in stress testing projections for one year. Under the revisions, these covered institutions are not required to include an estimate of the supplementary leverage ratio for the stress test cycle beginning on January 1, 2016. The Board has adopted a similar delay.

## **Advanced Approaches**

Covered institutions have noted that the use of advanced approaches in stress test rules would require significant resources and would introduce complexity and opacity. In light of the concerns raised by these covered institutions, and pending a review of how the stress test rules interact with the regulatory capital rules as described above, the revisions delay until further notice the use of the advanced approaches for calculating risk-based capital requirements for purposes of the capital plan and stress test rule.

## **Other Reporting Template and Instruction Changes**

The revisions to the DFAST-14A consist of clarifying instructions, adding and removing schedules, adding, deleting, and modifying existing data items, and altering the as-of dates. These changes (1) increase consistency between the DFAST-14A with the FR Y-14A, Call Report, FFIEC 101, and FFIEC 102; (2) remove the requirement to calculate tier 1 common capital and the tier 1 common ratio; (3) shift the as-of dates by one quarter in accordance with the modifications to the stress test rules; (4) modify and expand the supporting documentation requirements; and (5) increase the historical information collected in the scenario schedule in order to facilitate comparisons of the data. Furthermore, the Board is currently collecting information for the Summary Schedule via XML scheme technology, and the OCC will use a similar format to enhance consistency and reduce regulatory burden. Technical details on these forms can be found under technical instructions at <http://www.occ.gov/tools-forms/forms/bank-operations/stress-test-reporting.html>.

*Schedule A (Summary, General RWA) -- Deletion*



This schedule has been removed in accordance with the elimination of the use of the tier 1 common ratio, effective for the 2016 DFAST submission. However, in order to mitigate operational issues and allow for appropriate time to adjust internal systems to accommodate changes this schedule remains part of the technical XML instructions for the 2016 DFAST submission.

*Schedule A (Summary, Standardized RWA) -- Revisions*

This schedule has been modified to increase consistency with the FFIEC 102. Specifically, the items of the existing market risk-weighted asset portion have been replaced with the appropriate items from the FFIEC 102. There are also a number of other technical changes; some will be required for the 2016 DFAST submission and others will be required for the 2017 submission. See the final instructions for specific details.

*Schedule A (Summary, Capital) -- Revisions*

The OCC has removed certain items related to tier 1 common capital, effective for the 2016 DFAST submission. However, in order to mitigate operational issues and allow for appropriate time to adjust internal systems to accommodate changes, this schedule remains part of the technical XML instructions for the DFAST 2016 submission.

Additionally, effective for the 2017 DFAST submission (previously proposed to be effective for the 2016 DFAST submission), the OCC has added one item that captures the aggregate non-significant investments in the capital of unconsolidated financial institutions in the form of common stock and separating two items related to deferred tax assets into the amount before valuation allowances and the associated valuation

allowance. The additional information from these changes results in two existing items converting to derived items based on the additional information.

*Schedule A (Summary, Re-purchase) -- Revisions*

This schedule has been removed to reduce reporting burden, effective for the 2017 DFAST submission.

*Schedule A (Summary, ASC 310-30) -- Deletion*

This schedule has been removed to reduce reporting burden, effective for the 2017 DFAST submission.

*Schedule A (Summary, PPNR Metrics) -- Revisions*

In order to fully align the schedule with the stress scenarios, the beta information will be collected according to the scenario instead of the current “normal environment” requirement, effective for the 2016 DFAST submission. The Board has delayed implementation of this change, and in order to maintain consistency between the DFAST-14A and the FR Y-14A, the effective date of all modifications to the PPNR Metrics schedule will be delayed until the 2017 DFAST submission.

*Business Plan Changes Schedule -- Addition*

The OCC has added a requirement to use the existing summary schedule to collect the net effects of an intended business plan change on a respondent's asset, liability, and capital projections.

*Counterparty Credit Risk Schedule -- Deletion*

This schedule has been removed to reduce reporting burden effective for the 2016 DFAST submission. Aggregate counterparty credit risk information will continue to be obtained through the Summary Schedule (Schedule A).

### *Scenario Schedule -- Revisions*

Information about additional scenarios that are used by covered institutions is currently submitted in a format with limited structure, which makes it difficult for the OCC to evaluate. As such, the revisions require that covered institutions provide three more historical quarters in addition to the currently required most recent historical quarter of actual data values for each additional variable submitted. The revisions also provide additional instructions on variable naming conventions and other appropriate standardizations in order to facilitate more streamlined electronic processing of the data. In addition to the proposed schedule, the OCC is adding three new items to this final schedule in order to provide further standardized classification system for each variable submitted.

### *Regulatory Capital Transitions Schedule -- Revisions*

The OCC has modified this schedule by removing projected year six from the projection period.

### *Regulatory Capital Instruments Schedule -- Revisions*

The OCC has modified this schedule by removing line items corresponding to the general risk-based capital rules.

Type of Review: Revision.

Affected Public: Businesses or other for-profit.

Estimated Number of Respondents: 22.

Estimated Total Annual Burden: 12,254 hours.

The OCC believes that the systems covered institutions use to prepare the FR Y-14 reporting templates to submit to the Board will also be used to prepare the reporting

templates described in this notice. Comments submitted in response to this notice will be summarized and included in the request for OMB approval. All comments will become a matter of public record. Comments continue to be invited on:

(a) Whether the collection of information is necessary for the proper performance of the functions of the OCC, including whether the information has practical utility;

(b) The accuracy of the OCC's estimate of the burden of the collection of information;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of the collection on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Dated: February 1, 2016

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